



CONNECTICUT REALTORS®

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Statement on

SB 979

**AN ACT PROMOTING ENERGY AFFORDABILITY, ENERGY EFFICIENCY AND
GREEN CITIES**

OPPOSE CERTAIN SECTIONS

Submitted to the Environment Committee

By Connecticut REALTORS®

February 27, 2023

Connecticut REALTORS® (CTR) appreciates the opportunity to submit testimony relating to **SB 979, AN ACT PROMOTING ENERGY AFFORDABILITY, ENERGY EFFICIENCY AND GREEN CITIES**. CTR represents more than 20,000 members involved in all aspects of real estate in Connecticut. Our members work with many thousands of buyers, sellers, landlords and tenants annually.

SB 979 goal is to implement the Governor's budget recommendations, but specifically it addresses a number of issues related to the environment and home sales. The bill addresses the transmission of power, home energy labels, decarbonizing home heating, stretch codes and urban tree canopies.

CTR has a specific interest in two sections of the bill. The association opposes home energy labels and the use of stretch codes.

CTR opposes the section mandating a landlord listing any dwelling unit for rent provide a home energy label to any prospective tenant. Energy labels require a process that can take weeks to schedule. There is frequently going to be a cost required to conduct that as well, which will be passed on by the landlord to the tenant thus increasing the cost of the rental. Free energy scores take longer to schedule than ones for a fee. In addition, this process can delay the ability for a next tenant to move into a property because the time between when one tenant leaves and another takes occupancy can be the next day. Landlords will need to make up the income for the number of days a property is vacant where it might otherwise have been rented, again likely increasing the rental amount for the next tenant.

Connecticut presently has a crisis with available rental units. Prospective tenants, unless they are wealthy, often don't have the luxury to compare similar properties of similar prices to then make a choice. The decision to rent any one apartment is made based on monthly rent, location, and space. For example, if prospective tenant

prefers an apartment with washer and dryer, the decision to rent is based on the appliance being included and not it's energy rating label.

An Energy Score is not a reflection of affordability. Energy costs are often a function of what type of heat may be in the property (oil, electric, natural gas, etc.) and, most importantly, the consumption of the renters. Another example is a single person who works outside the home may use significantly less energy than a family of four working remotely full time, regularly running a washer and dryer, using extensive electronics. Personal decisions about how warm or cool renters may decide to keep the property have a large impact on individual energy costs as would the types of appliances used in the home. An Energy Score about efficiency is not going to be reflective of what any tenant may choose to use for energy consumption and the related amount they pay.

CTR also opposes the imposition of stretch codes.

Our statutes do not currently allow a municipality to adopt codes that differ from those found in the State Building Code. This is for good reason. Since 1971, Connecticut has had a uniform statewide building code that has brought constantly improving codes and predictability to our code process. As a result, new home construction has never been more resilient and energy efficient. This proposal would change nearly 50 years of uniformed state codes and standards adoption that has brought measured and predictable regulatory oversight to the construction industry in Connecticut.

The current process of adopting codes in Connecticut works extremely well and Connecticut statutes already explicitly require our code making body, the Codes and Standards Committee, take energy efficiency and resiliency under consideration. The Codes and Standards Committee is a diverse group of professionals appointed by the Commissioner of the Department of Administrative Services. All of which are codes experts with many years of practical professional experience within their respective fields.

CTR believes stretch codes will make it harder to build affordable housing in towns where they are adopted. A municipality that wants to limit creation of new housing units will have this as an easy tool to mandate that only those who can afford to build these higher priced properties are able to build a home in their municipality. There cannot be affordable homes when there are new expensive building mandates. Additionally, builders would have to study each town's codes before committing to build. This action could add dollars and time to the project as builders may have to research and use products that meet the code requirements. The products may cost more, and since they are not buying in bulk, discounting may not apply adding cost to the overall building process.

As an alternative, we suggest Connecticut could provide tax incentives or grants to builders of new homes with energy efficient standards beyond what is required in existing code. A tax credit or grant would achieve better results without mandating a stretch code adoption that could price thousands of potential homebuyers out of the market for a new home.

CTR would be willing to discuss further specifics of the bills with the members at your convenience. Thank you for your consideration of our concerns related to the proposed legislation before your committee today.